

## CITY OFFICIALS AND MANAGEMENT EMPLOYEES ETHICS POLICY

### Sec 1. Purpose.

- A. In furtherance of maintaining public confidence in the integrity of its elected and appointed officers and management employees, the City Council of the City of Southfield desires to establish standards of ethical conduct which:
  - 1. Insures public duties are forthrightly and ethically performed; and,
  - 2. Informs City officials and management employees of the standards which the citizenry expects them to observe.
- B. The purpose of this Policy is to publish standards of ethical conduct that are clearly established and uniformly applied. These standards will provide the public and City officials and management employees with guidance and information about ethical expectations.

### Sec. 2 Title.

This policy shall be known and may be cited as the "City Officials and Management Employees Ethics Policy".

### Sec. 3 Policy.

It is the public policy of this City that all elected and appointed officials and management employees shall observe and implement ethical standards and guidelines with sincerity, integrity, and commitment so as to advance the spirit of this Policy in accordance with the following guiding principles:

- A. Public Interest. City officials and management employees are delegated power from the public and are obliged to exercise that power as trustees of the public. The power and resources of government service therefore shall be used only to advance the public interest.
- B. Objective Judgment. Loyalty to the public interest requires that all matters shall be decided with independent, objective judgment, free from conflicts of interest, improper influences, and competing loyalties.

- C. Accountability. Government affairs shall be conducted in an open, efficient, and fair manner, which enables citizens to make informed judgments and to hold officials accountable.
- D. Respectfulness. All City officials and management employees shall safeguard public confidence by being honest, fair, and respectful of all persons and property with whom they have contact, by maintaining nonpartisanship in all official acts, and by avoiding conduct which may tend to undermine respect for City officials and management employees and for the City as an institution.

Sec. 4 Definitions.

As used in this Policy:

- A. "City official" is a person holding any elective office of the City or any appointed member of any City board or commission.
- B. "Compensation" is any money, property, thing of value or benefit received by any person in return for services rendered.
- C. "Conflict of Interest" is either a personal interest or a duty or loyalty to a third party that competes with or is adverse to a City official's or management employee's duty to the public interest in the exercise of official duties or official actions.
- D. "Gift" is anything of value, money, loan of money, goods, or services given without due consideration. "Gift" does not include:
  - 1. Information-gathering trips paid for by a person or entity seeking approval of a proposal from a decision-making body of the City, provided that the following conditions apply:
    - a. The information will be useful and material; and
    - b. The trip will improve and not unduly influence the decisional process; and,
  - 2. Small perishable or consumable gifts of a nominal value, and any reportable campaign contributions, pursuant to state law.
- E. "Immediate family" is a spouse, child, parent, sister, or brother wherever residing, or any relative sharing the same household.
- F. "Management employee" is an individual employed by the City and includes the City Administrator, the Deputy City Administrator, City Attorney, City Planner, City Assessor, all appointed department heads and deputy department heads, all Assistant City Attorneys, and any future position(s) included in the City's Management Group, but excludes elected officials.

- G. "Official Duties" or "Official Actions" are decisions, recommendations, approvals, disapprovals, or other actions which involve the use of discretionary authority.

Sec 5. Prohibited Conduct.

- A. Gifts. A City official or management employee shall not, directly or indirectly, solicit or accept a gift that could unduly influence the manner in which they enact their official duties.
- B. Preferential Treatment. A City official or management employee shall not use his/her official position to secure, request or grant, any privileges, exemptions, advantages, contracts, or preferential treatment for himself/herself or others which is not otherwise generally available to any City employee.
- C. Use of Information. A City official or management employee who acquires information in the course of his or her official duties, which by law or policy is confidential, shall not prematurely divulge that information to an unauthorized person nor use the information to further the private interest of the City official or management employee, family member, or any third party. Information which is deemed exempt from disclosure, such as information under the Michigan Freedom of Information Act, Act 442, Public Acts of Michigan, 1976, or which is the subject of a duly-called closed meeting held in accordance with the Michigan Open Meetings Act, Act 267, Public Acts of Michigan, 1976, is confidential. A City official or management employee shall not suppress or refuse to provide City reports or other information which is publicly available pursuant to state law.
- D. Conflict of Interest.
  - 1. In General.
    - a. No City official shall take any official action on any contract or other matter in which he or she has any financial interest other than the common public interest in accordance with Section 11.6 of the City Charter. No City official or management employee shall engage in employment, render services, or engage in any business, transaction, or activity which is in conflict of interest with his/her official or management duties.
    - b. No City official or management employee may use any confidential information obtained in the exercise of his/her official duties for personal gain or for the gain of others.
    - c. No City official or management employee shall intentionally take or refrain from taking any official action, or induce or attempt to induce any other City official or management employee to take or refrain from taking any official

action, on any matter before the City which would result in a financial benefit for any of the following:

- i. The City official or management employee;
- ii. An immediate family member;
- iii. An outside employer;
- iv. Any business in which the City official or management employee, or any immediate family member of the City official or management employee, has a financial interest;
- v. Any business with which the City official or management employee or any immediate family member is negotiating or seeking prospective employment or other business or professional relationship.

For purposes of this subdivision, "financial benefit" means only a financial benefit which accrues to a greater extent than any benefit which could reasonably be expected to accrue from the proposed action to the general public or the general business, occupation, or profession taken as a group.

- d. Should a conflict of interest arise, the City official or management employee shall file a Transactional Disclosure in accordance with Section 6 D hereof.
- e. Except as otherwise provided by law, no elected City official or management employee shall serve with compensation as an officer or as a member of a managing or executive board with the right to vote in any corporation, business, or entity which engages or seeks to engage in any business, transaction, or activity with the City. The foregoing shall not apply to entities which are advisory only, or which have no legal standing, or which are substantially affiliated with or controlled by the City or 501C (3) not-for-profit organizations; or to membership on a managing or executive board on an *ex officio* basis without vote.

2. In Contracts.

- a. Except as otherwise permitted herein, no City official or management employee or any immediate family member of a City official or management employee shall be a party, directly or indirectly, to any contract with the City except for collective bargaining agreements or employment agreements. The foregoing shall not apply if the contract is awarded after public notice and competitive bidding, provided that the City official or management employee shall not have participated in establishing contract specifications or awarding the contract, shall not manage contract performance after the contract is awarded, and shall disclose the City official's or management

employee's interest in the contract prior to the award of the contract being formally acted upon.

- b. A City official or management employee shall not engage in a business transaction with the City except as permitted by Act 317, Public Acts of Michigan, 1968, as amended. Compliance with the requirements of said Act shall constitute compliance with this subsection.
- c. Use of City Property. A City official or management employee shall not, directly or indirectly, use any City property for personal gain or for the private benefit of a third party. Except as expressly otherwise approved, no City official or management employee shall devote any city property or lands to a private use in accordance with Section 11.6 of the City Charter. Except for infrequent use at little or no cost to the City, an elected City official shall not use public resources that are not available to the public in general, such as city staff time, equipment, supplies or facilities for other than a city purpose; provided, however, elected City officials may use available meeting rooms in city facilities not more than once per calendar quarter to meet with constituents to discuss city related issues, and notice of such meetings with constituents may be posted on the city's website.
- d. Political Activity. No City official or management employee shall use any City time or property for his/her own political benefit or for the political benefit of any other person seeking elective office; provided, that the foregoing shall not prohibit the use of property or facilities available to the general public on an equal basis for due consideration paid. No political activity shall interfere with the performance of the official duties of any City official or management employee.
- e. Nepotism. Relatives of any elected City official and the City Administrator within the second degree of consanguinity or affinity shall be disqualified from holding any appointive office or from being employed by the City during the tenure of such elected City official or City Administrator in accordance with Section 11.19 of the City Charter. No management employee shall cause the employment or any favorable employment action of an immediate family member. No management employee shall participate in any employment decision about that family member.
- f. Retaliation. No person making a complaint alleging a violation of this Policy shall be retaliated against in any manner for such action.

#### Sec. 6 Disclosure

A. Annual Disclosure Statement. The following elected and appointed city officials and management employees shall file an annual disclosure statement:

1. The Mayor, members of the City Council, City Clerk, and City Treasurer;
2. The City Administrator, the City Attorney, the City Planner, and the City Assessor;
3. The directors and deputy directors of all administrative departments;
4. Members of the Administrative Civil Service, the Southfield Employee Retirement Board, the Fire and Police Retirement Board, the Planning Commission, the Zoning Board of Appeals, and the Retiree Health Care Benefits Plan and Trust Board.

B. Content of Annual Disclosure Statement.

1. The annual disclosure statement shall disclose the following financial interest of the city official or management employee or of the city official's or management employee's immediate family in any company, business or entity that has contracted with the City or which has sought licensure or approvals from the City in the last two (2) calendar years prior to the filing of the statement:

- a. any interest as a partner, member, employee or contractor in or for a co-partnership or other unincorporated association;
- b. any interest as a beneficiary or trustee in a trust;
- c. any interest as a director, officer, employee or contractor in or for a corporation;
- d. legal or beneficial ownership of one percent or more of the total outstanding stock of any private corporation if the stock is not listed on a stock exchange, or stock with a market value in excess of twenty five thousand dollars if the stock is listed on a stock exchange;

2. The annual disclosure statement shall include a summary, listing each business transaction with the City involving a financial interest described in this section of the City official or management employee or the City official's or management employee's immediate family during the prior two calendar years.

3. If there is no reportable financial interest or transaction applicable to the City official or management employee or the City official's or management employee's immediate family, the annual disclosure statement shall contain a certification as to that fact.

C. Filing of Annual Disclosure Statement. A signed annual disclosure statement shall be filed with the City Clerk's office on or before April 15<sup>th</sup> of each year.

D. Transactional Disclosure. A City official or management employee shall not participate, in the course of his or her official duties, in any transaction which subsequently would be required to be disclosed in an annual disclosure statement or which would constitute a conflict of interest under Section 5D hereof without disclosing the interest in the transaction prior to participating in the official action. If the official is a member of a decision-making or advising body, the disclosure must be made to the chair and other members and made part of the official record of the body. In the case of a management employee, the disclosure must be made to the City Clerk's office.

#### Sec. 7 Collective Bargaining Agreements

Nothing in this Chapter shall be read or implied to supersede any provision of a collective bargaining agreement in effect on the effective date of this Policy.

#### Sec. 8 Violations

This policy is intended to encourage and promote the highest standards of ethical conduct and behavior by City officials and management employees. Complaints against Management employees for violations of this Policy shall be reported to the Human Resources Department for investigation. Any Management employee who violates this policy will be subject to discipline up to and including discharge. Complaints of violations by City officials will be investigated by the City Council pursuant to the investigatory powers of Council as established in Section 4.17 of the City Charter. Appointed City officials who are found to have violated this Policy shall be subject to disciplinary action up to and including removal for cause by the officer or body appointing him/her. In circumstances where the action of a City official or management employee is deemed to constitute a misdemeanor under applicable provisions of the City Charter, such violation may be referred to the appropriate state or local official for criminal prosecution.